GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:568
ANSWERED ON:21.10.2008
PROFITEERING THROUGH ADVANCE LINCENCES
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Pharma Companies are applying for advance licence and seeking relaxation in the existing norms;

(b) if so,the names of the companies, products, country of export and the reasons for allowing imports under relaxed norms;and

(c) the steps taken by the Government to ensure that these imports are not diverted to the domestic market resulting into profiteering by these companies?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JAIRAM RAMESH)

(a) A few Pharmaceutical Companies have been allowed import of raw materials based on non-infringing process.These input output norms are based on the process under which the Pharmaceqtical product is produced, and are higher than the Standard Input Output Norms (SION) for the said product.

(b) As per information readily available, details are as under:

Name of the firm	Export Product	Country of export
M/s.Lupin Ltd.	(a) Cefotaxime Sodium (b) Sterile Ceftriaxone Sodium	USA
M/s. Cadila Pharma Pvt. Ltd.	Carbinoxamine Tannate	USA
M/s. Medicorp Technologies Inds. Ltd.	Clarithromycin	Canada,USA & Europe

(c) Imports under the advance authorization scheme are subject to actual user condition.The advance authorization holder is required to maintain a true and proper account of consumption and utilization of duty free inputs against each Authorization.Random checks can be undertaken both by the Central Excise Authorities and the Regional Authorities of DGFT. In case of violation of licence conditions, penal action is taken under Foreign Trade (Development and Regulation) Act, 1992, and the Customs Act,_1 ~62. If import of drugs is from unregistered sources,then a shorter export obligation period of six months has been prescribed, to ensure proper and timely usage of inputs.